

ORDINANCE 20-09

AN ORDINANCE TO AMEND THE TOWN OF MILLVILLE CODE AT CHAPTER 132, ENTITLED "TAXATION," TO ESTABLISH A LODGING TAX.

WHEREAS, the Town Council of Millville has the power to adopt ordinances in the interest of good government and the safety, health, and public welfare of the Town, its inhabitants and affairs, including to impose and collect a lodging tax of no more than 3% of the rent, in addition to the amount imposed by the State, for the occupancy of any room or rooms in a hotel, motel, or tourist home which is located within the boundaries of the Town of Millville, under Chapter 61 of Title 30 of the Delaware Code; and

WHEREAS, the Town Council of Millville has determined that an ordinance providing for such a lodging tax will assist in providing for and preserving the health, safety, cleanliness, and ornament of the Town by providing for a source of revenue that can be used to offset the increase in expenses incurred by the Town as a result of the occupancy of hotels, motels, and tourist homes;

NOW, BE IT THEREFORE ORDAINED, by the Town Council for the Town of Millville, Sussex County, Delaware, having duly met and a majority thereof concurring herein, that the following language hereby be adopted and incorporated into the Town of Millville Code at Chapter 132, entitled "Taxation," at Article III, with additions shown in black bold and underlined and ~~deletions in black bold and strikethrough~~ as follows:

Chapter 132. Taxation

Article III. ~~[Reserved]~~ Lodging Tax

§ 132-13. Definitions.

For the purposes of this article, the following terms shall have the meanings indicated:

HOTEL

Any person engaged in the business of operating a place where the public may, for a consideration, obtain sleeping accommodations and meals and which has at least 6 permanent bedrooms for the use of guests, excluding, however, any charitable, educational or religious institution, summer camp for children, hospital or nursing home.

MOTEL

Any person engaged in the business of furnishing, for a consideration, transient guests with sleeping accommodations, bath and toilet facilities, linen service and a place to park an automobile.

OCCUPANCY

Any person other than a permanent resident who for a consideration, uses, possesses or has a right to use or possess any room or rooms in a hotel, motel or tourist home under any lease, concession, permit, right of access, license or agreement.

OCCUPANT

Any person other than a permanent resident who for a consideration, uses, possesses or has a right to use or possess any room or rooms in a hotel, motel or tourist home under any lease, concession, permit, right of access, license or agreement.

PERMANENT RESIDENT

Any occupant who has occupied or has the right to occupancy of any room or rooms in a hotel, motel or tourist home for at least 5 consecutive months.

PERSON

"Person" includes corporations, companies, associations, firms, partnerships, societies and joint-stock companies, as well as individuals.

RENT

The consideration received for occupancy valued in money, whether received in money or otherwise, including all receipts, cash credits and property or services of any kind or nature and also any amount for which the occupant is liable for the occupancy without any deduction therefrom whatsoever.

TOURIST HOME

Any person who operates a place where tourists or transient guests, for a consideration, may obtain sleeping accommodations and which has at least 5 permanent bedrooms for the use of tourists or transient guests, but which does not have cooking facilities for the use of tourists or transient guests.

§ 132-14. Lodging tax imposed.

There is hereby imposed and assessed a lodging tax at the rate of 2% of the rent for the occupancy of any room or rooms in a hotel, motel, or tourist home located within the boundaries of the Town. The payment of the tax shall be the responsibility of the person who is the owner of the property being rented; provided, however, that such person may designate an agent to collect and pay the tax to the Town.

§ 132-15. Lodging tax report and payment.

A. Every person receiving any rent on which the lodging tax is imposed under this article shall be obligated to file, or have filed by a designated agent, a lodging tax report form with the Town Manager and to pay the Town Manager, for use of the Town, the amount of lodging tax due the Town, as follows: The

lodging tax on rent received in any month shall be due and payable on or before the 15th day of the following month.

B. The lodging tax report form referred to in this section shall be furnished by the Town Manager to the owner of the rental property, or designated agent thereof, at the time of issuance of the annual license required by this Town Code. It is the responsibility of the owner of the hotel, motel, or tourist home to obtain a lodging tax report form from the Town Manager. The contents of the lodging tax report form shall be kept confidential by the Town as permitted by applicable state and federal law.

§ 132-16. Violations; penalties and interest.

Any person obligated to pay the lodging tax imposed and assessed by this article who fails or refuses to file the required rental tax report form or to remit the lodging tax required to be paid within the time and in the amount specified in this article, unless it is shown that such failure is due to reasonable cause, shall be charged, in addition to the amount of lodging tax owed the Town, interest thereon at the rate of 1 1/2% per month until such debt is fully paid. If such debt remains unpaid by the time of expiration of the license to rent the accommodations concerning which the lodging tax has not been paid, a renewal license shall not be issued with regard to such property.

BE IT FURTHER ORDAINED, by the Town Council for the Town of Millville, Sussex County, Delaware, that this Ordinance shall take effect on May 1, 2020.

ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF MILLVILLE, SUSSEX COUNTY, DELAWARE, ON THIS 11th DAY OF February, 2020.

SEAL:



ATTESTED:

Matthew Thomas Amerling

Steve Maneri
STEVE MANERI, MAYOR

Ronald Belinko
RONALD BELINKO, SECRETARY

SYNOPSIS

This ordinance implements the Town's authority to charge a lodging tax on hotels, motels, and tourist homes. The Charter allows a rate up to 3%; this Ordinance applies a 2% lodging tax, comparable to the amount of tax historically charged by the Town on other rental properties.